

## Old Age, Disability, Death

---

First law: 1967.

Current law: 1983 and 1996 amendment.

Type of program: Social insurance system.

**Exchange rate:** Currency is the U.S. dollar.

### Coverage

Gainfully occupied persons, including self-employed.

Exclusions: Casual labor working less than one week in one calendar month and self-employed with no employees, and with annual gross income of \$10,000 or less; and family employment.

### Source of Funds

**Insured person:** 5% of earnings. Self-employed, 10% of twice the salary of highest paid employee (if none, of 2.5% of quarterly gross revenue).

**Employer:** 5% of payroll.

**Government:** None, except contribution as employer.

Maximum earnings for contribution purposes: \$3,000 a quarter.

### Qualifying Conditions

**Old-age pension:** Age 60 and 1 quarter of coverage for each year after June 1968 (or since age 21, if later) up to age 60, with at least 12 quarters of coverage. Pension reduced \$1 for each \$2 of earnings above \$300 a quarter if re-employed.

**Disability pension:** Incapacity for substantial gainful activity due to impairment likely to last 1 year or result in death. 1 quarter of coverage for each year after June 1968 (or since age 21, if later), with at least 12 quarters of coverage; also 8 quarters of coverage during last 13 quarters.

**Survivor pension:** Deceased had 1 quarter of coverage for each year after June 1968 (or since age 21, if later), or with at least 8 quarters of coverage in 13 quarters preceding death.

Pension reduced \$1 for each \$2 of earnings above \$300 a quarter.

Payable abroad if reciprocity exists.

### Old-Age Benefits

**Old-age pension:** Effective July 1993, 16.5% of the first \$10,000 of cumulative covered earnings, plus 3% of next \$30,000 of earnings, plus 2% of cumulative earnings over \$40,000.

Minimum: \$50 a month.

Dependents' allowance: None.

### Permanent Disability Benefits

**Disability pension:** Same as old-age pension.

Minimum: \$50 a month.

Dependents' allowance: None.

### Survivor Benefits

**Survivor pension:** 60% of deceased's pension, payable to widow or widower at any age.

Orphans: 15% of deceased's pension for each orphan under age 18 (22 if student; no age limit if disabled before age 22).

Minimum survivor pension: \$50 a month; maximum, 100% of insured worker's pension.

## Administrative Organization

Social Security Administration, administration of program.